

The President's FY 2003 Budget

House Budget Committee

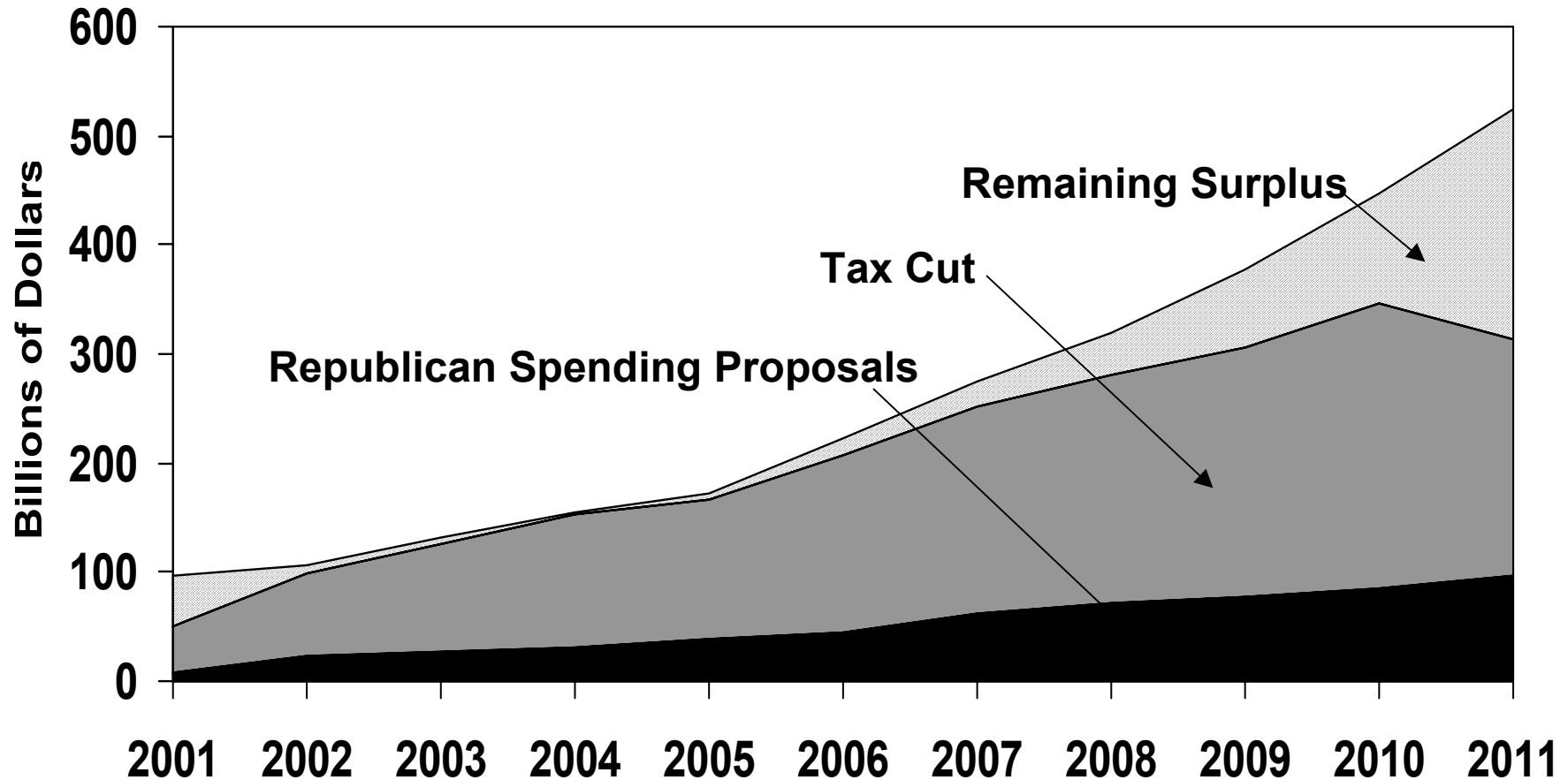
Democratic Staff

February 8, 2002

“Tax relief is central to my plan to encourage economic growth, and we can proceed with tax relief without fear of budget deficits, even if the economy softens. Projections for the surplus in my budget are cautious and conservative. They already assume an economic slowdown in the year 2001.”

President Bush
Western Michigan University
March 27, 2001

Last Year's Republican Budget Left No Margin for Error



April 2001 Projection of Non-Medicare, Non-Social Security Surplus;
Tax and Spending Proposals in Last Year's Republican Budget Resolution

The 10-Year Unified Budget Surplus

Trillions of Dollars

	2002-2011	2003-2012
April 2001	5.637	N.A.
August 2001	3.113	N.A.
February 2002	0.661	1.002

Source: Office of Management and Budget

The 10-Year Non-Social Security Surplus

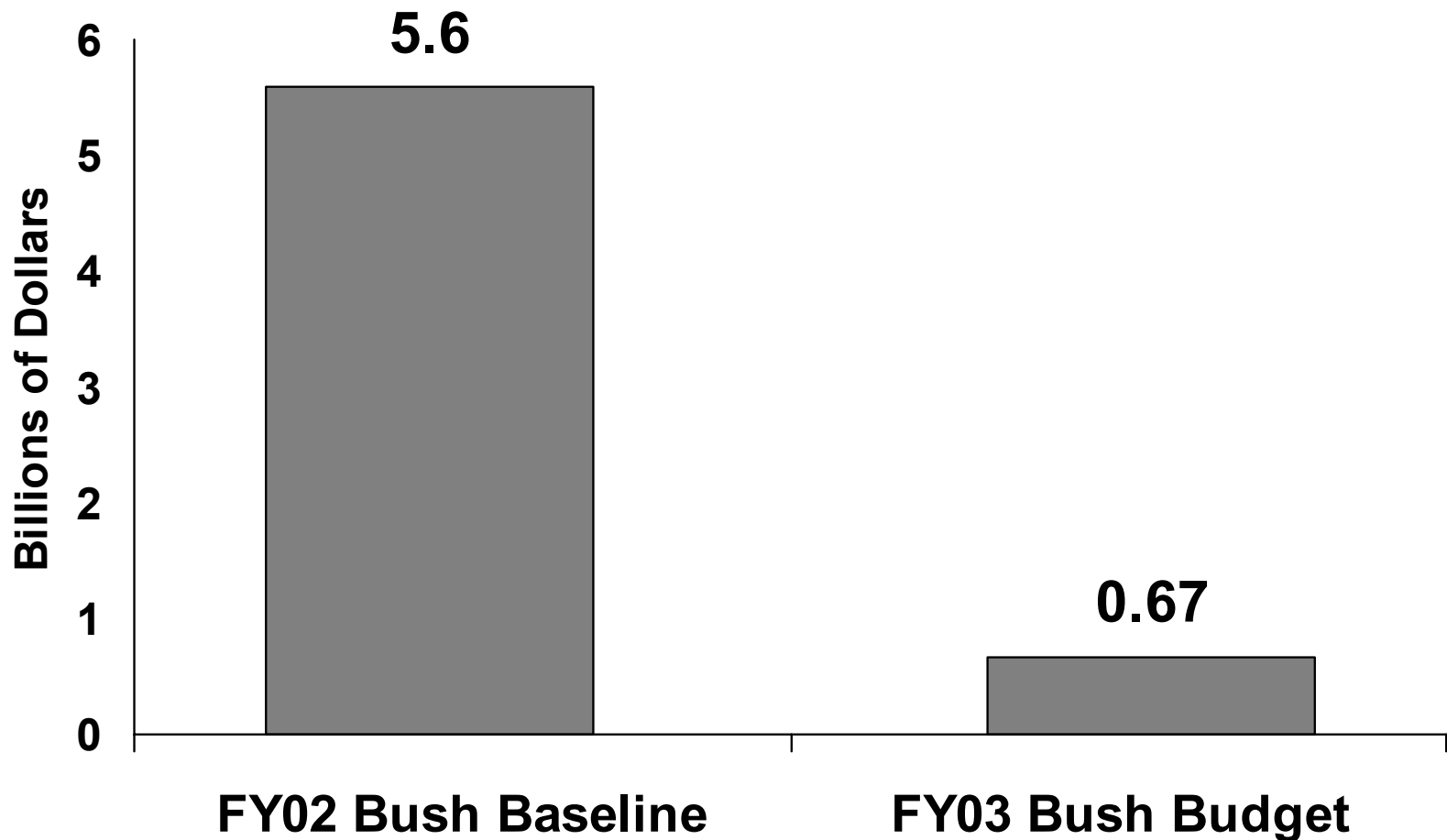
Trillions of Dollars

	2002-2011	2003-2012
April 2001	3.046	N.A.
August 2001	0.575	N.A.
February 2002	-1.650	-1.464

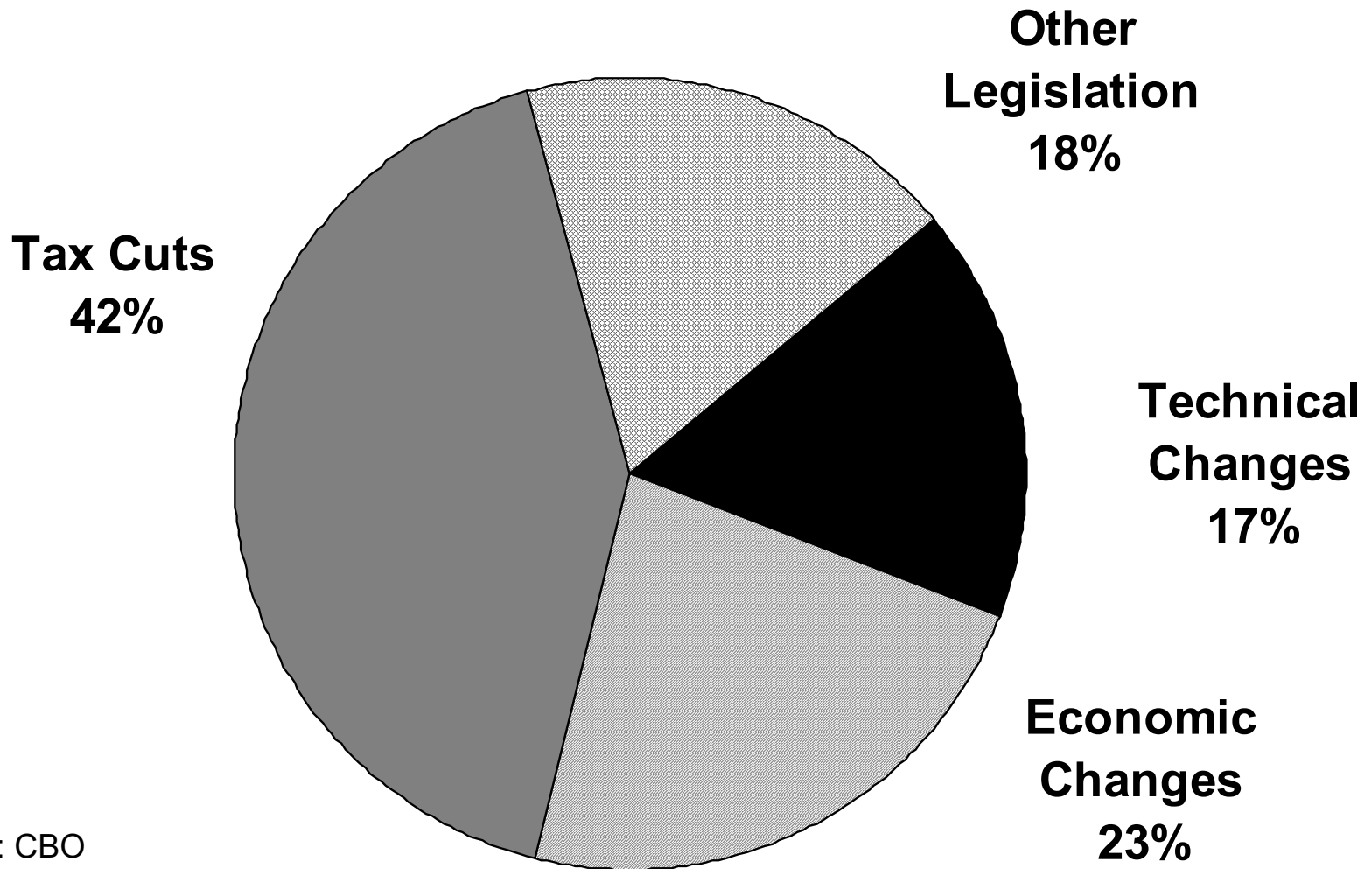
Source: Office of Management and Budget

Surplus Declines by \$5 Trillion in One Year

Change in Unified Surplus, 2002-2011



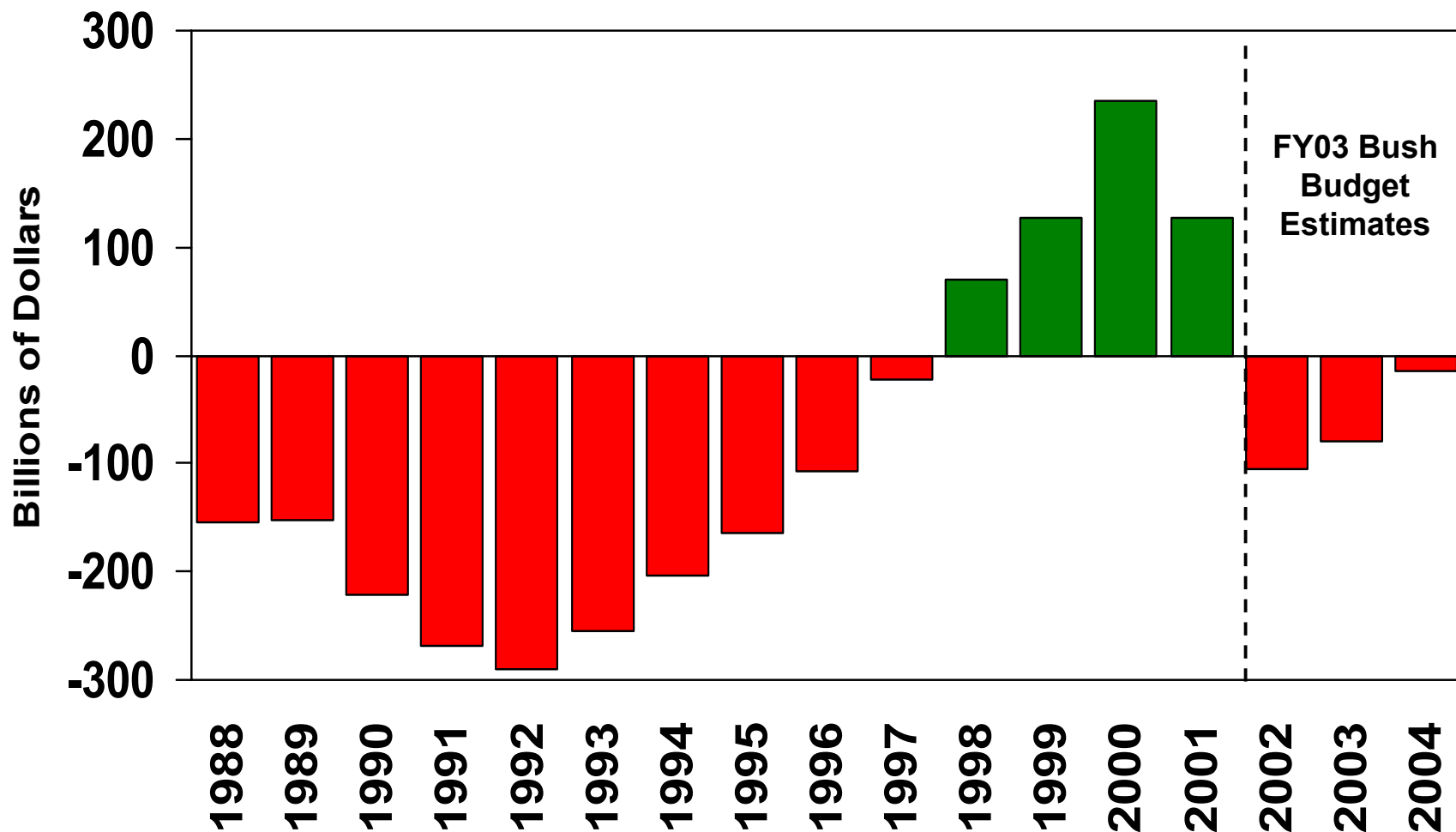
Changes in the Total Budget Surplus, FY 2002-2011



Source: CBO

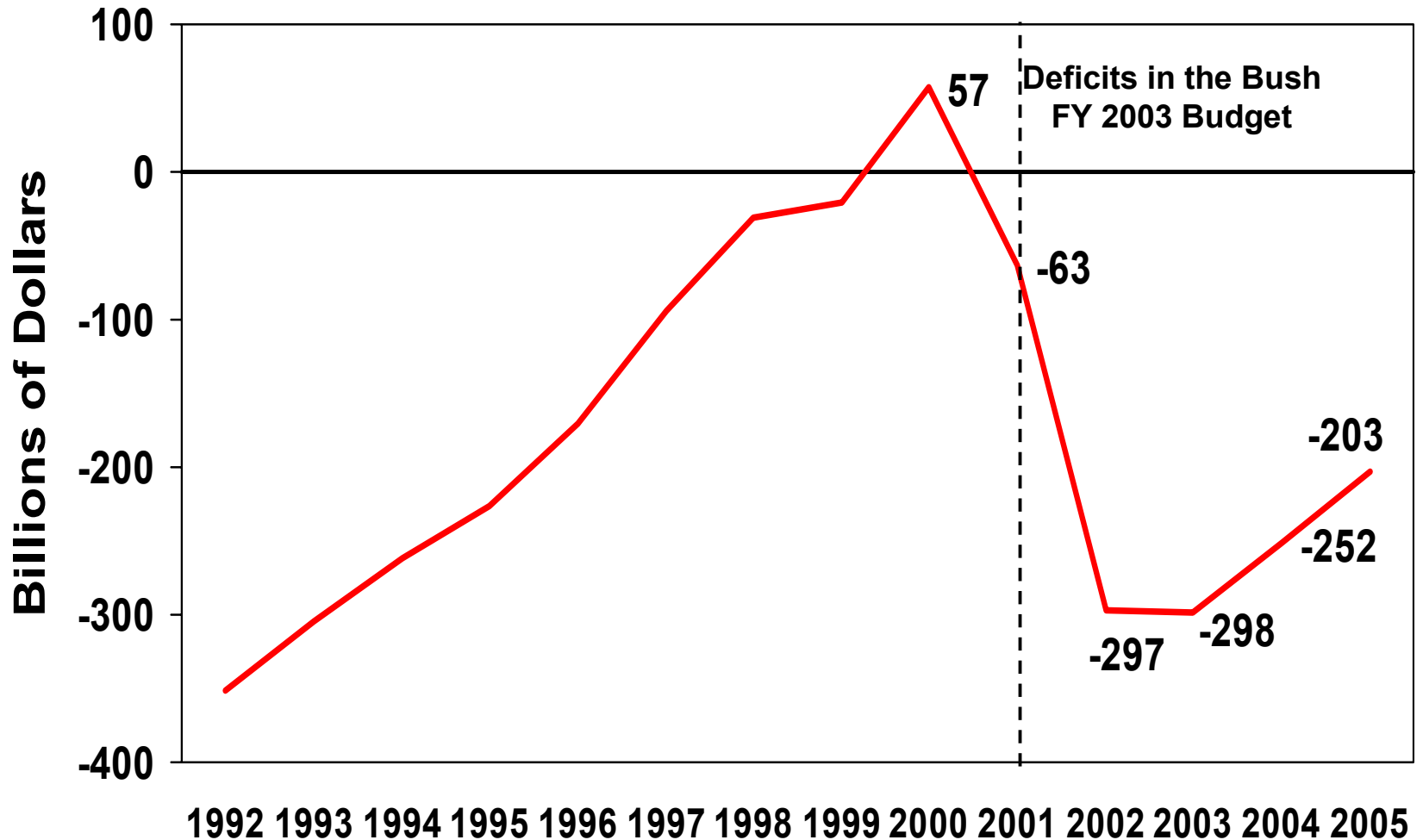
Return to an Era of Deficits

Unified Surplus/Deficit, FY 1988-2004



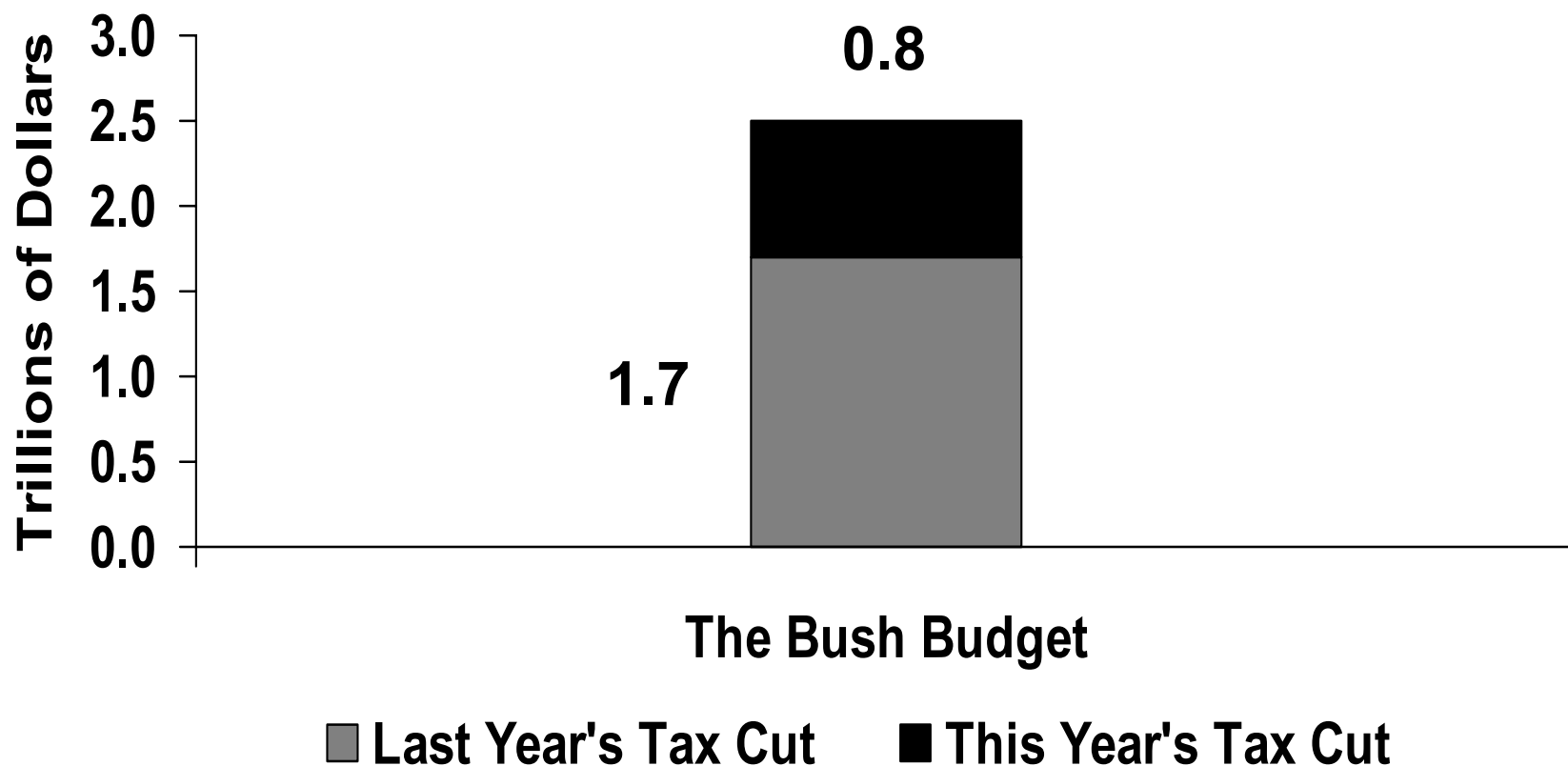
A Return to an Era of Deficits

Deficits without Social Security or Medicare



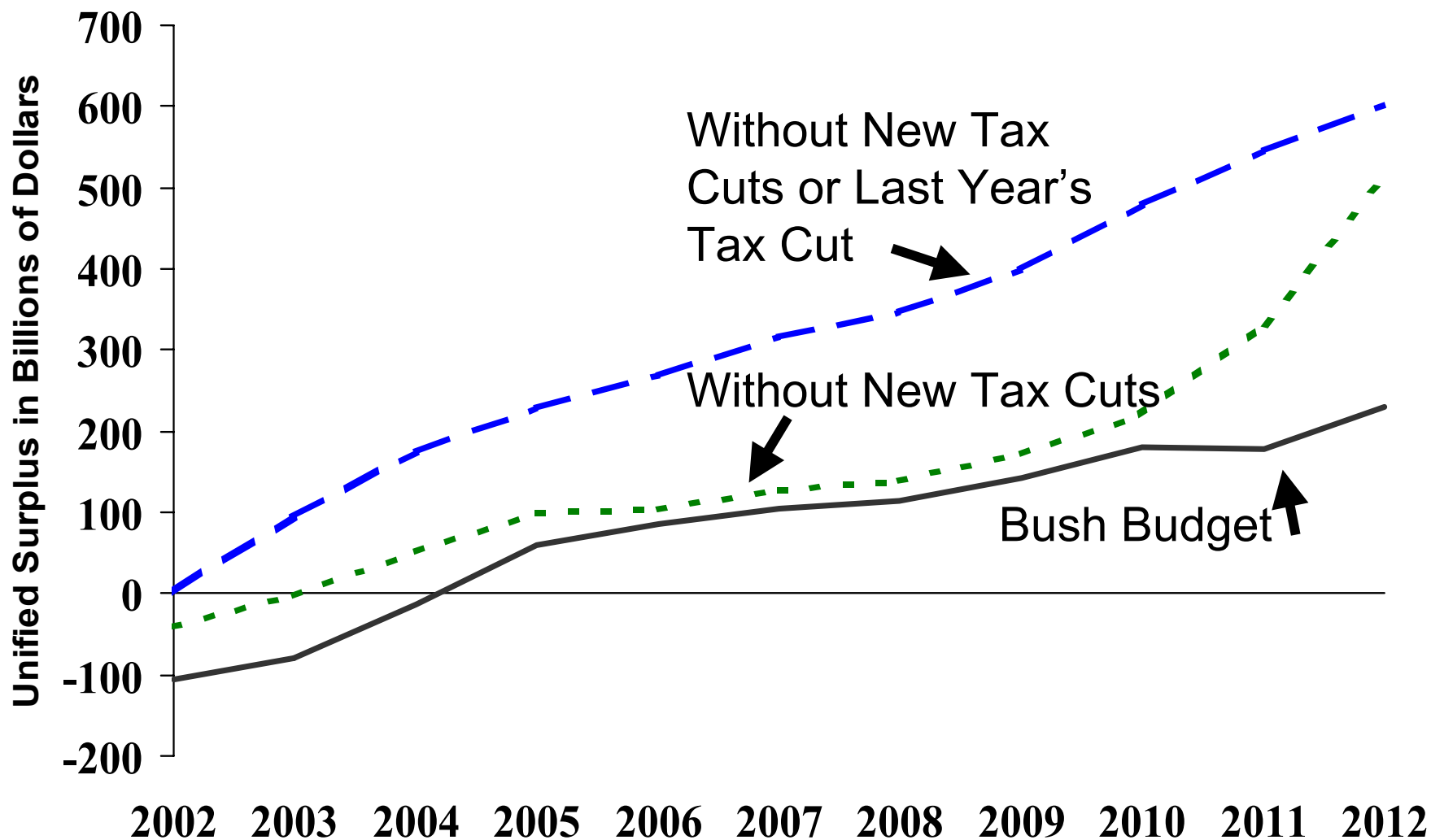
The Bush Budget Solution to Deficit: More Tax Cuts

Ten-Year Cost of Tax Cuts*



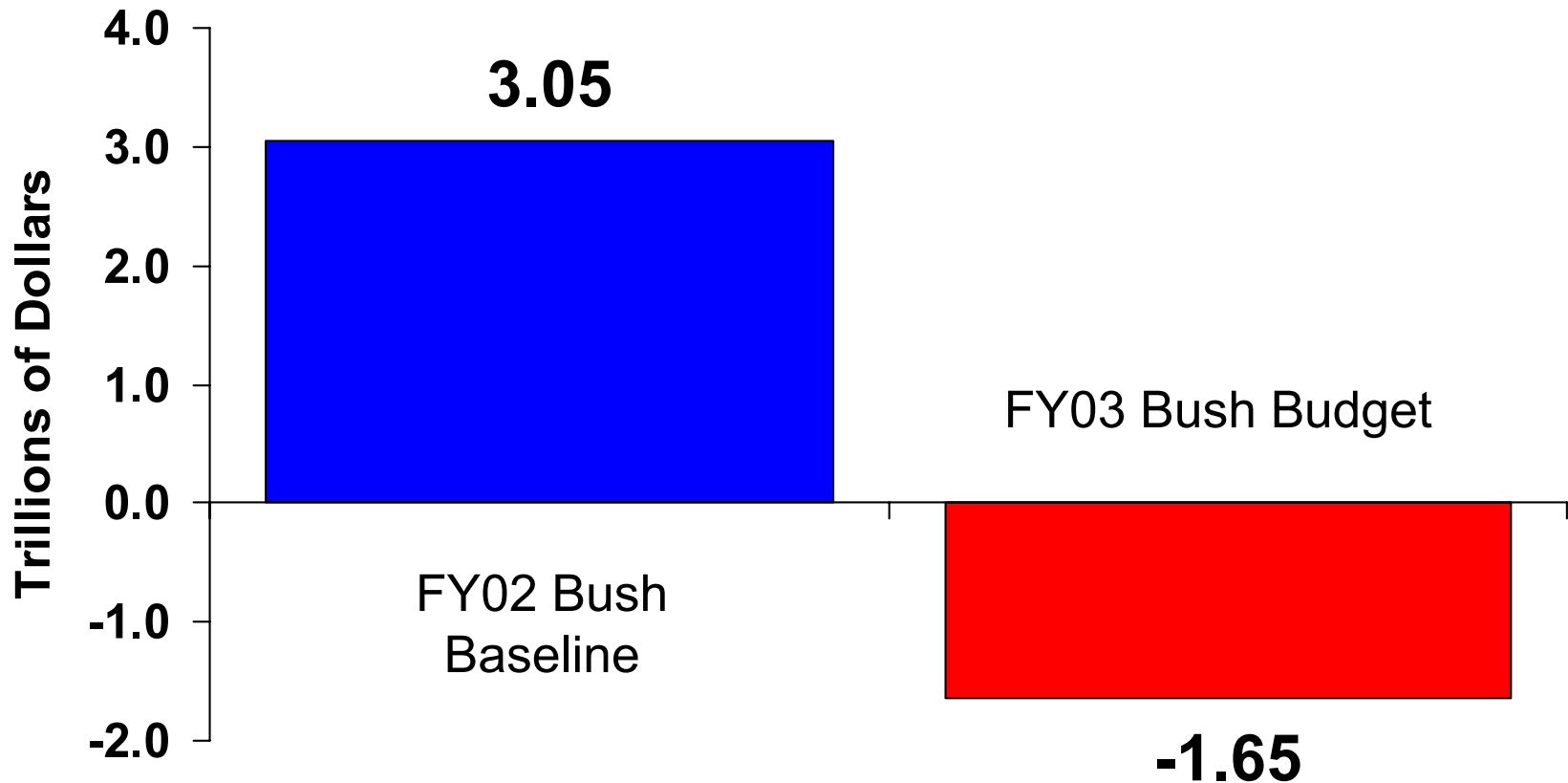
* Includes additional debt service payments.

New Tax Cuts Make a Bad Situation Worse

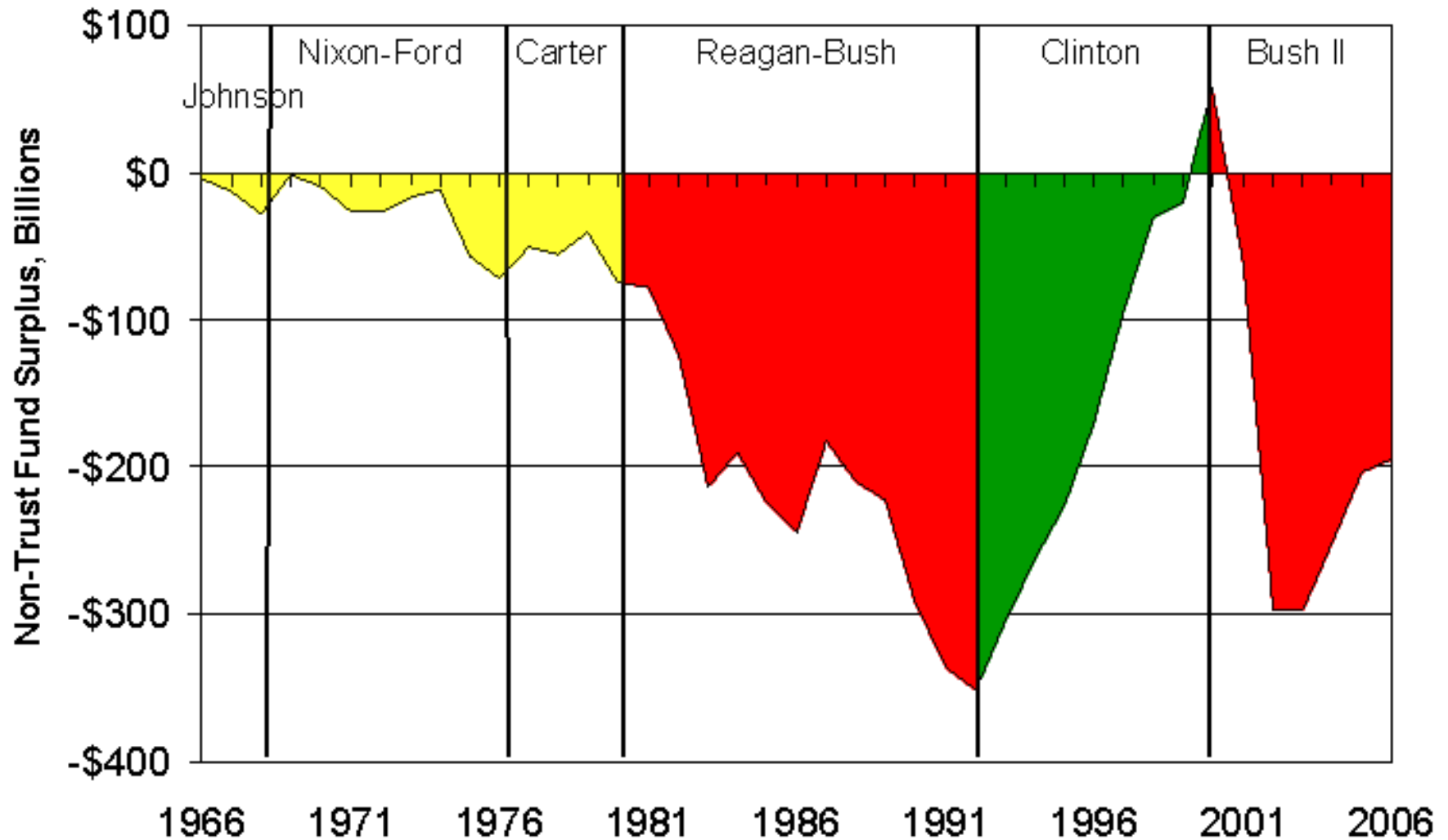


Republicans Spend the Social Security Surplus

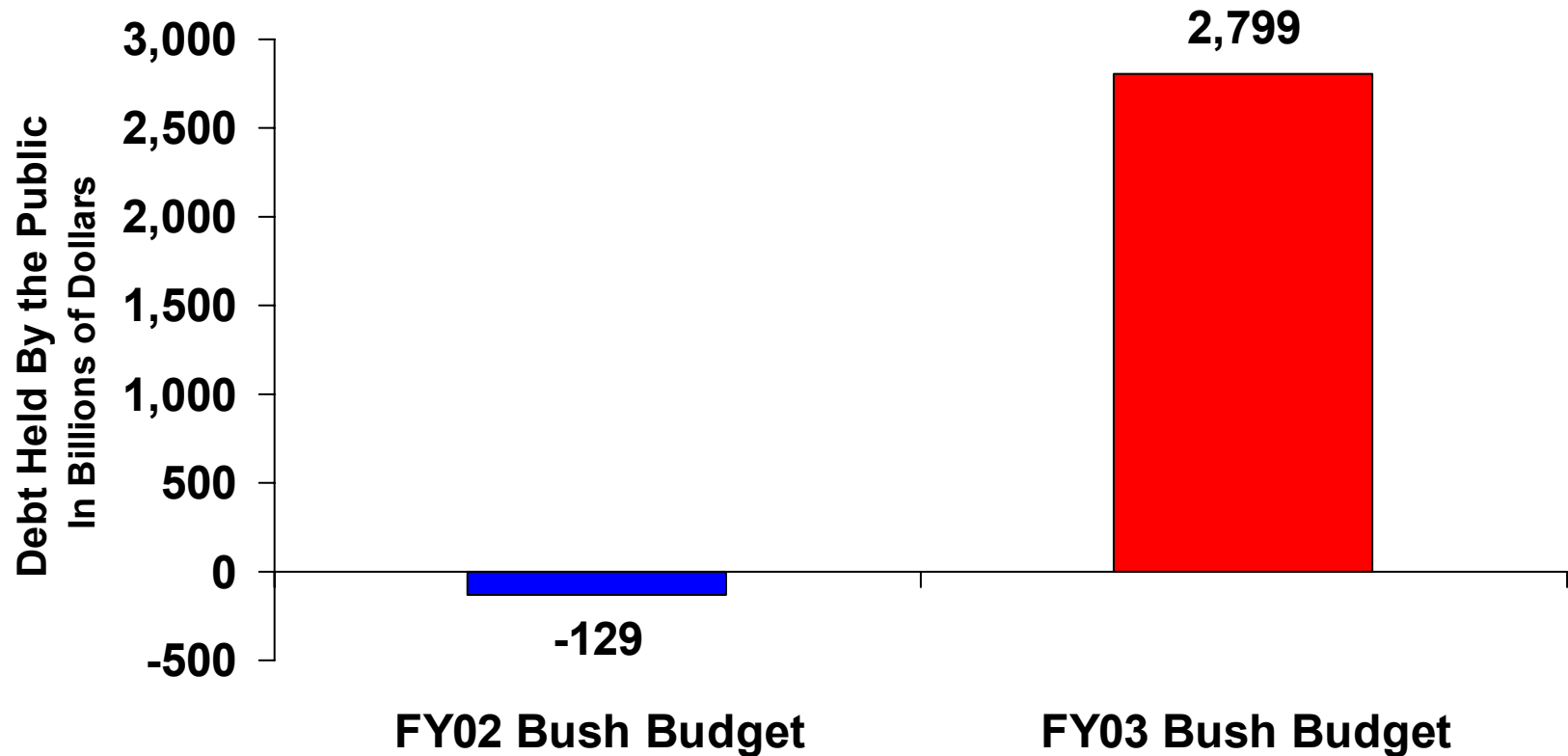
Total Non-Social Security Surplus, '02-'11



Republicans Raid Social Security and Medicare

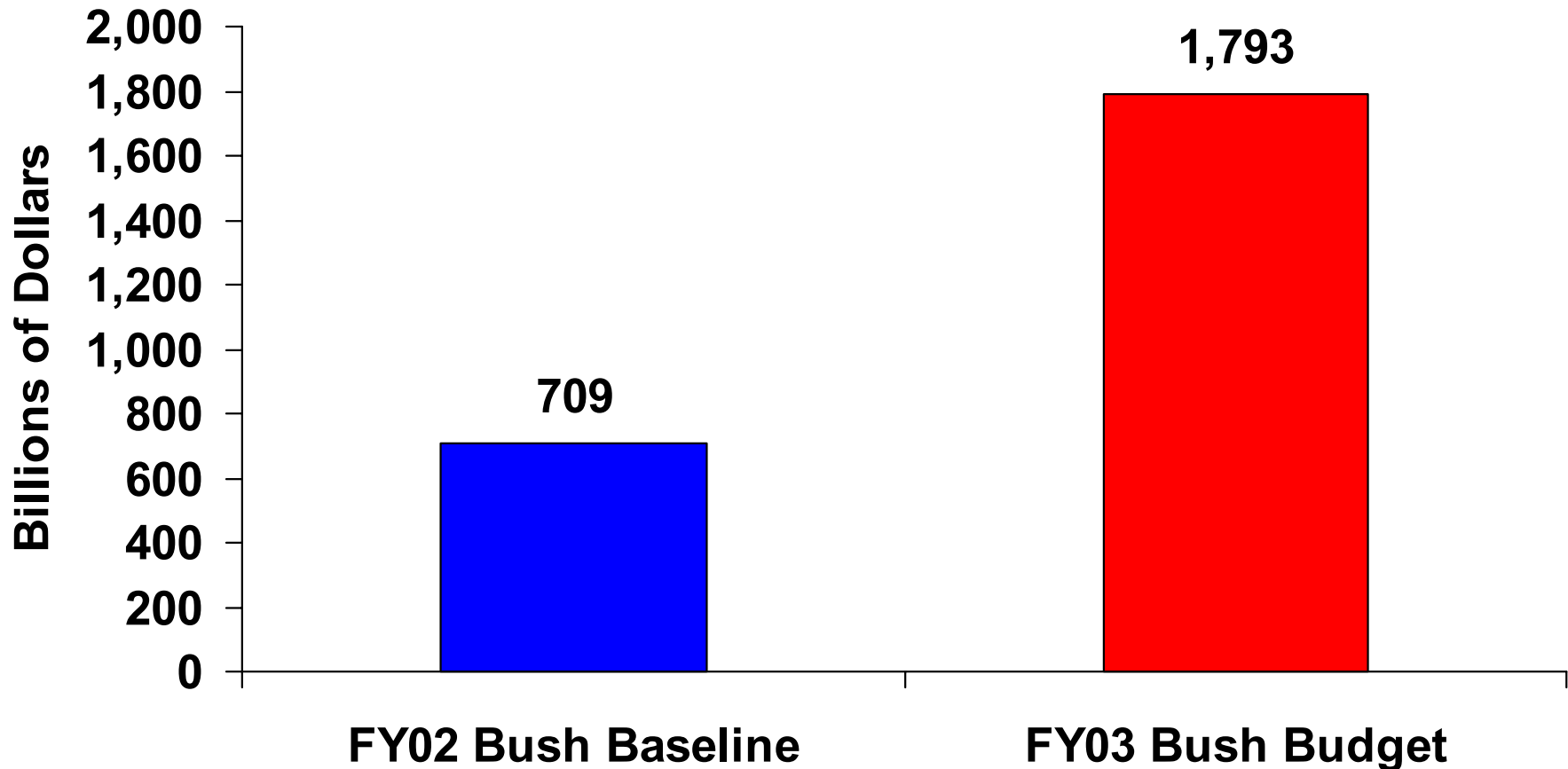


From Debt-Free to \$2.8 Trillion in Debt in 2011

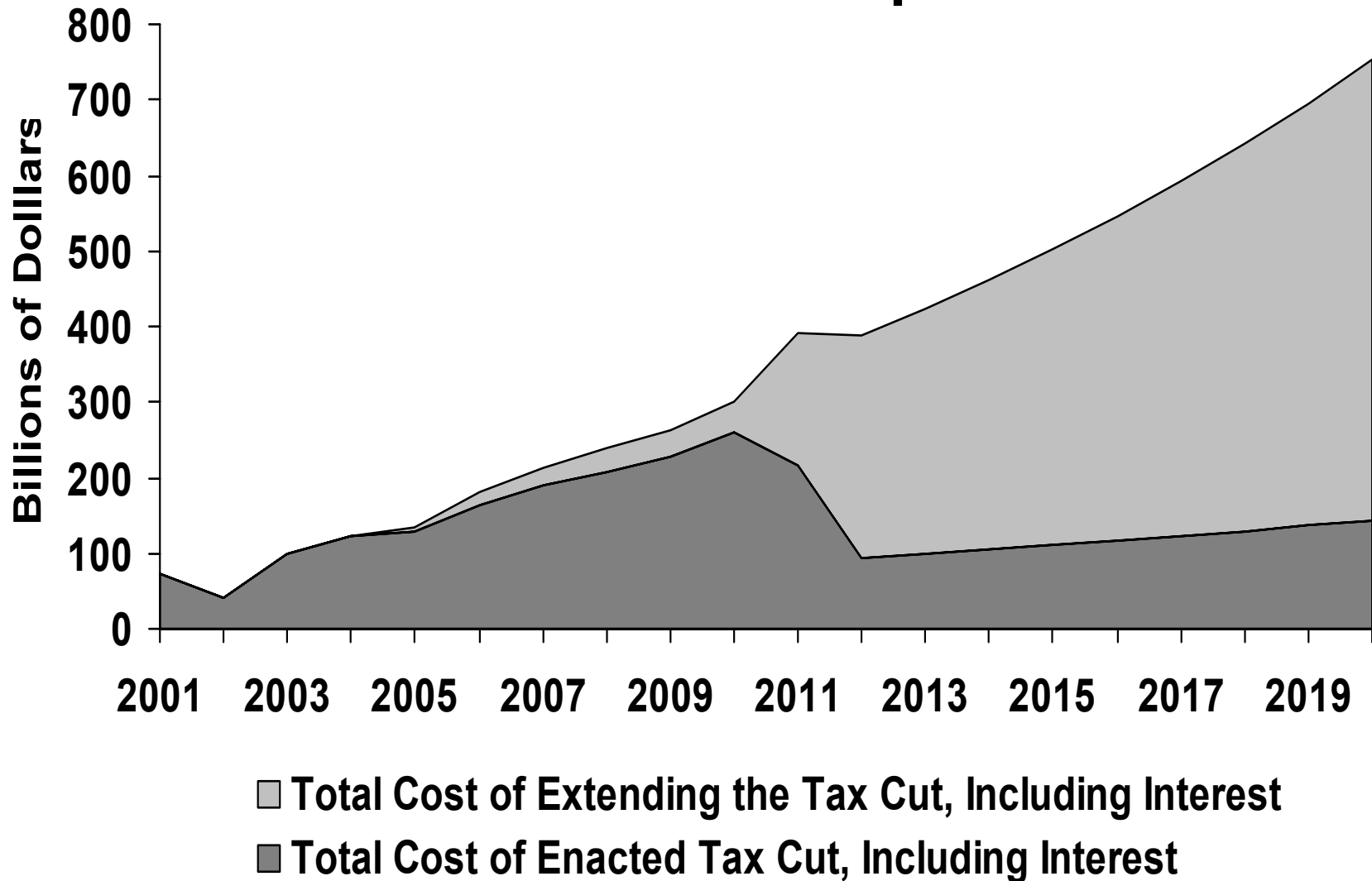


Wasted Resources: Interest Payments Then and Now

2002-2011 Totals

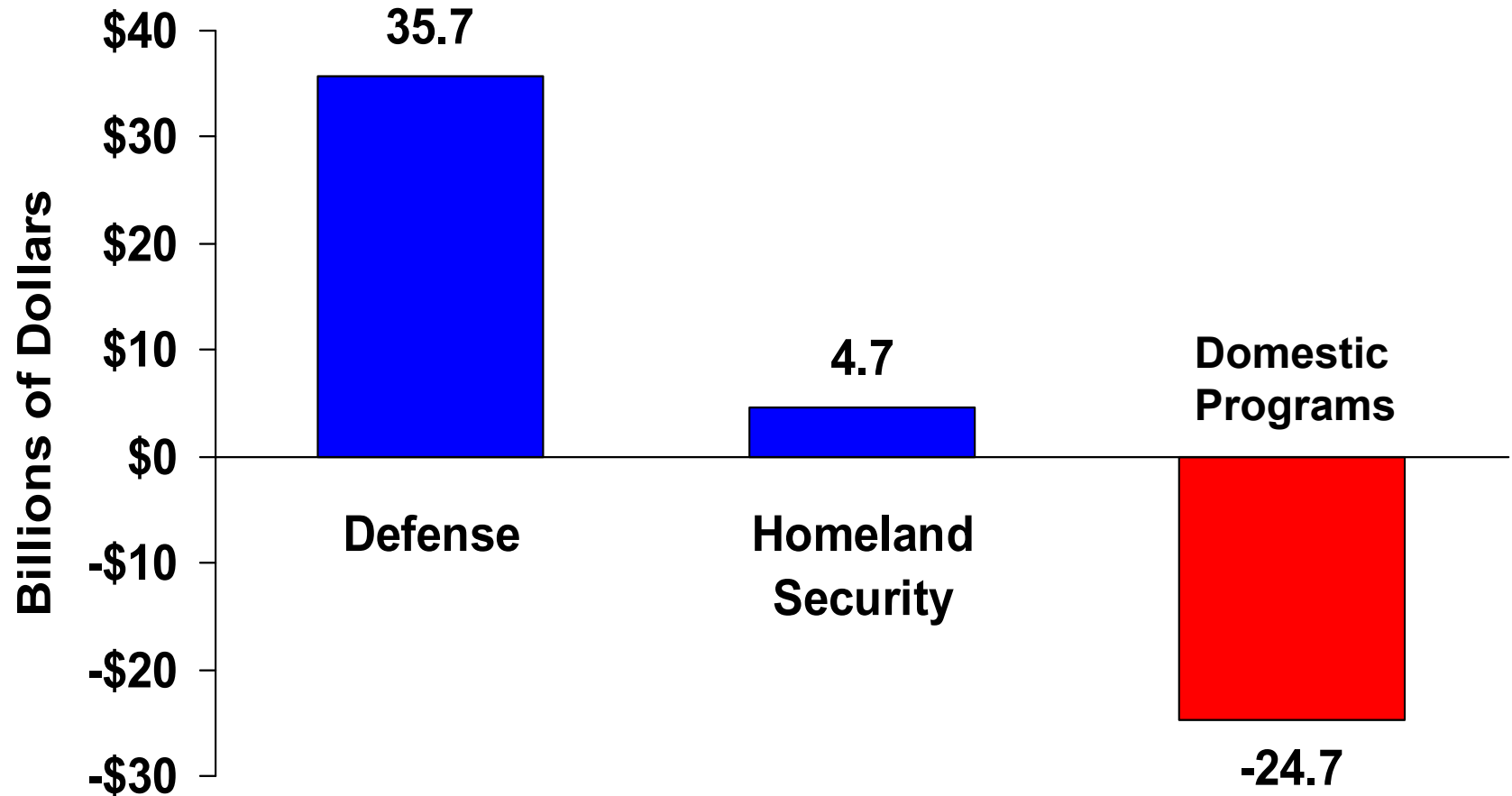


Twenty-Year Projection of Bush Tax Proposals

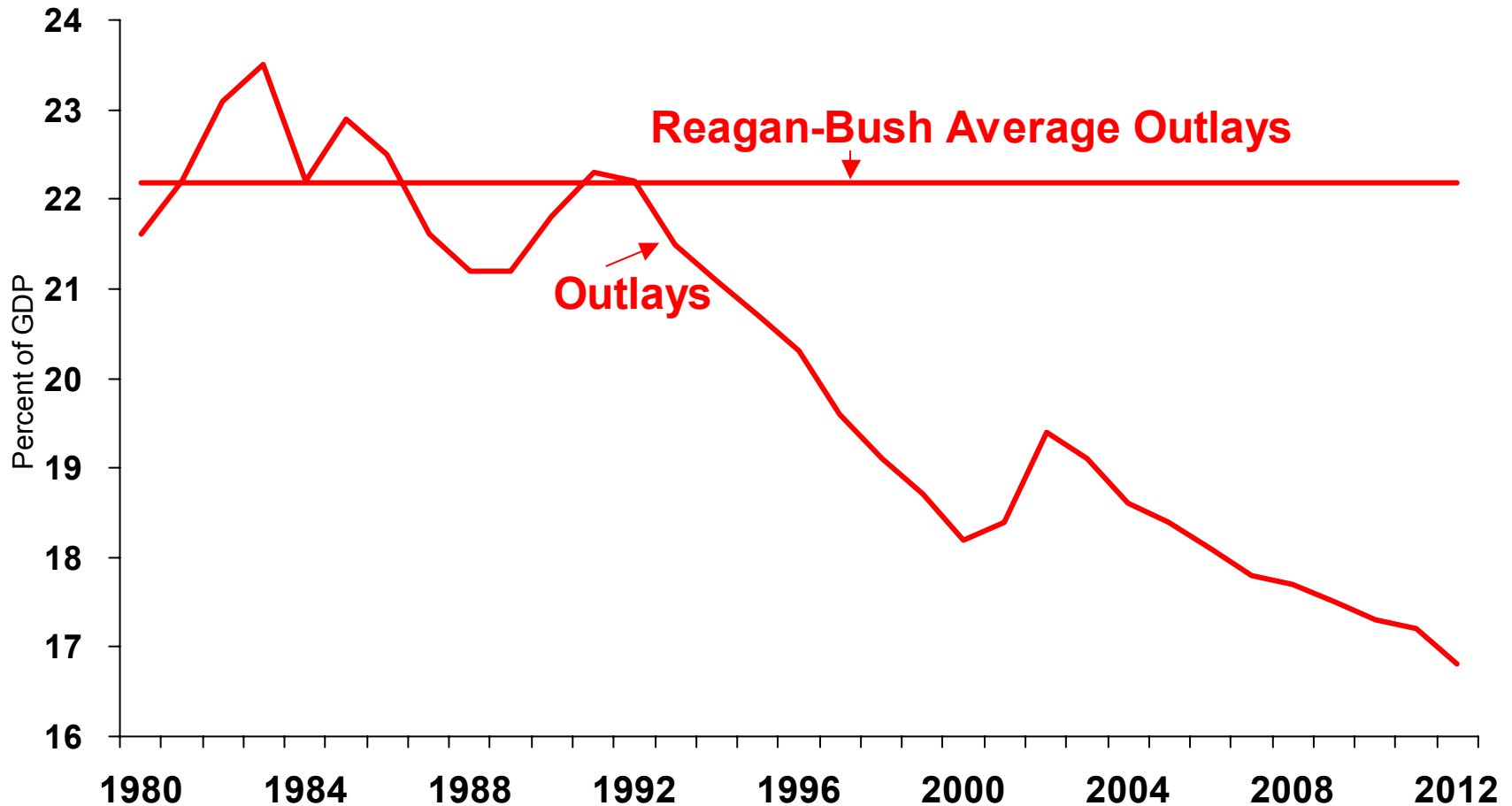


Discretionary Funding in the President's 2003 Budget

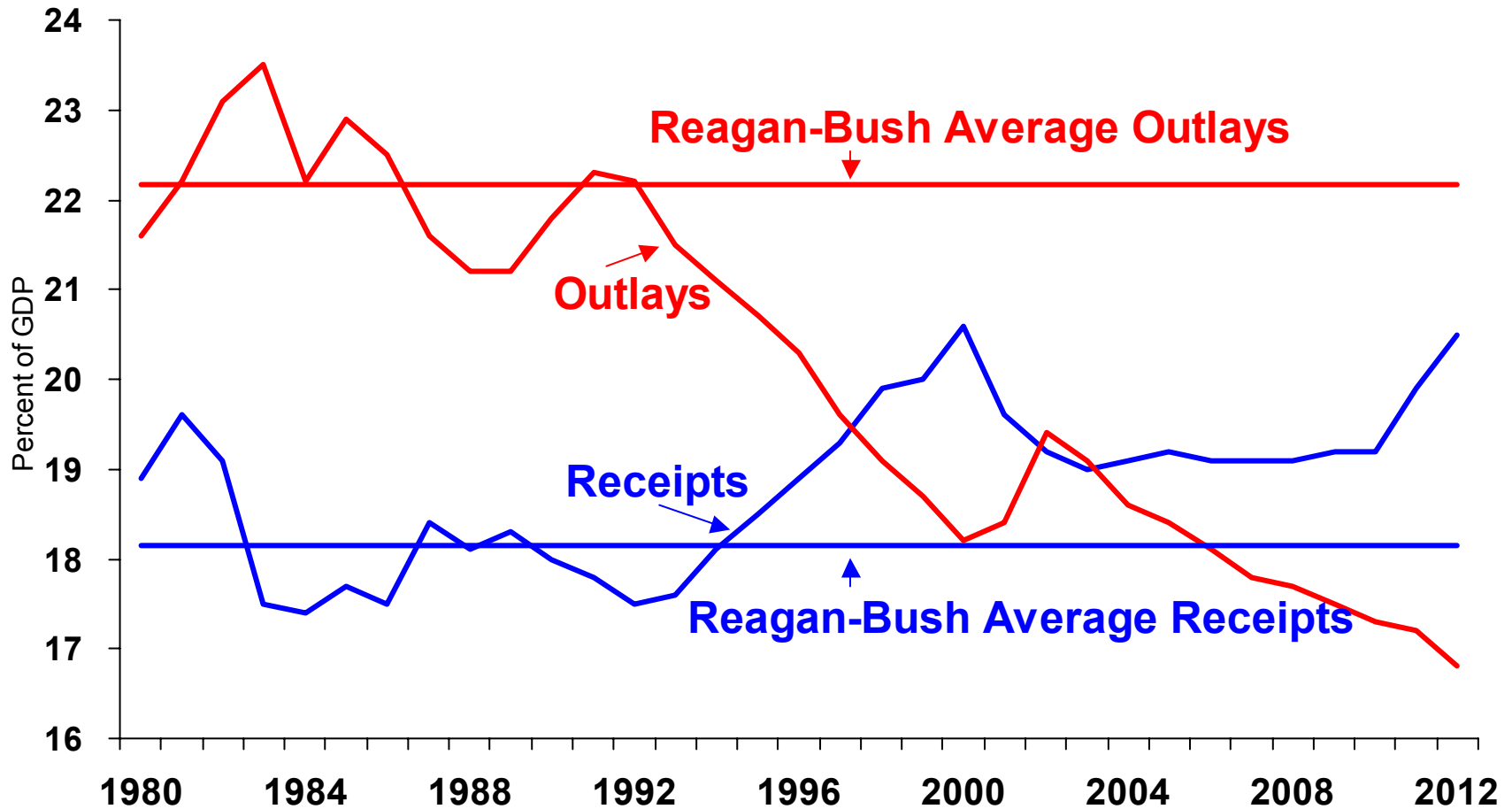
Change in purchasing power from 2002 level



Spending Remains Well Below Its Reagan-Bush Average

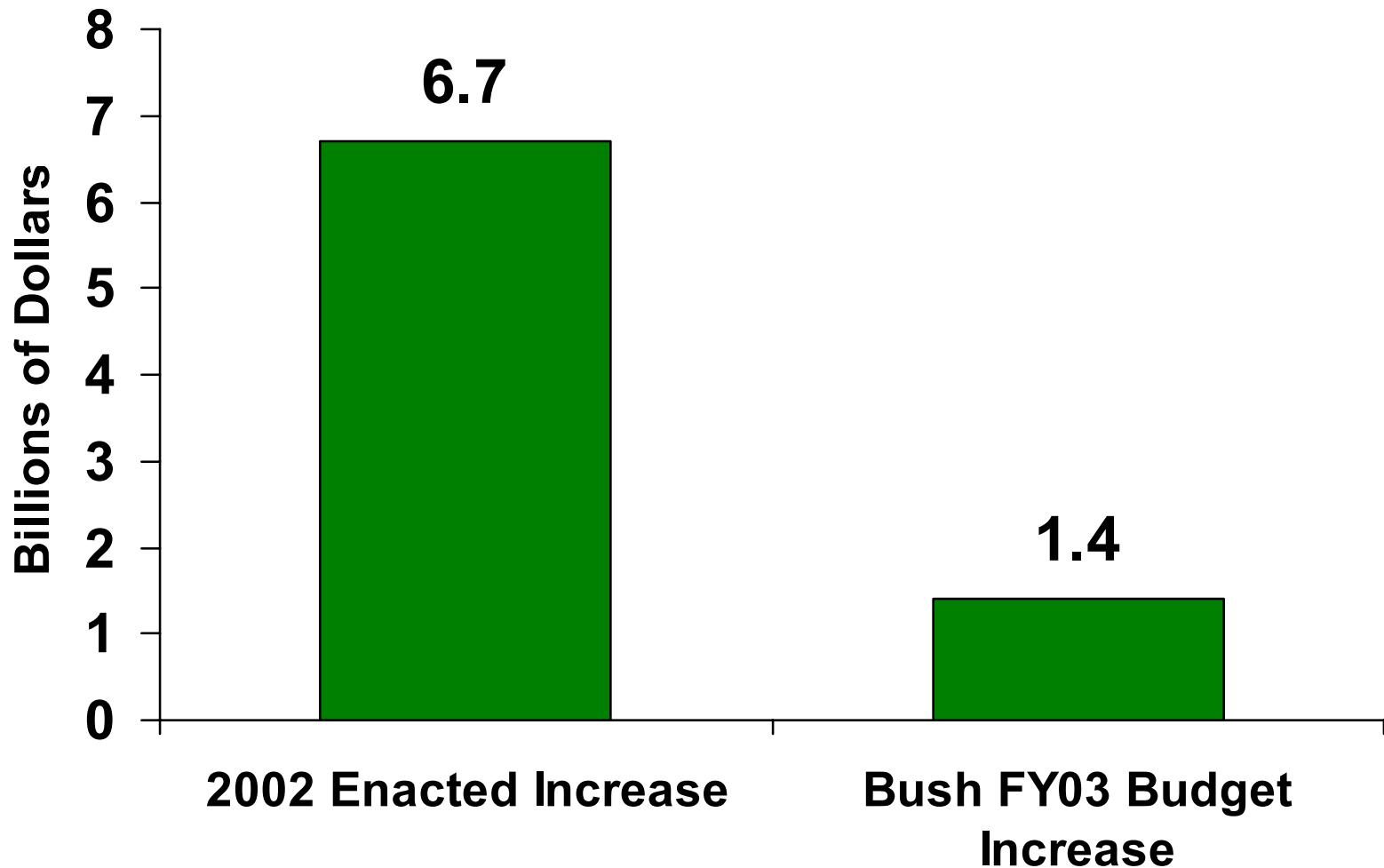


Spending Remains Well Below Its Reagan-Bush Average

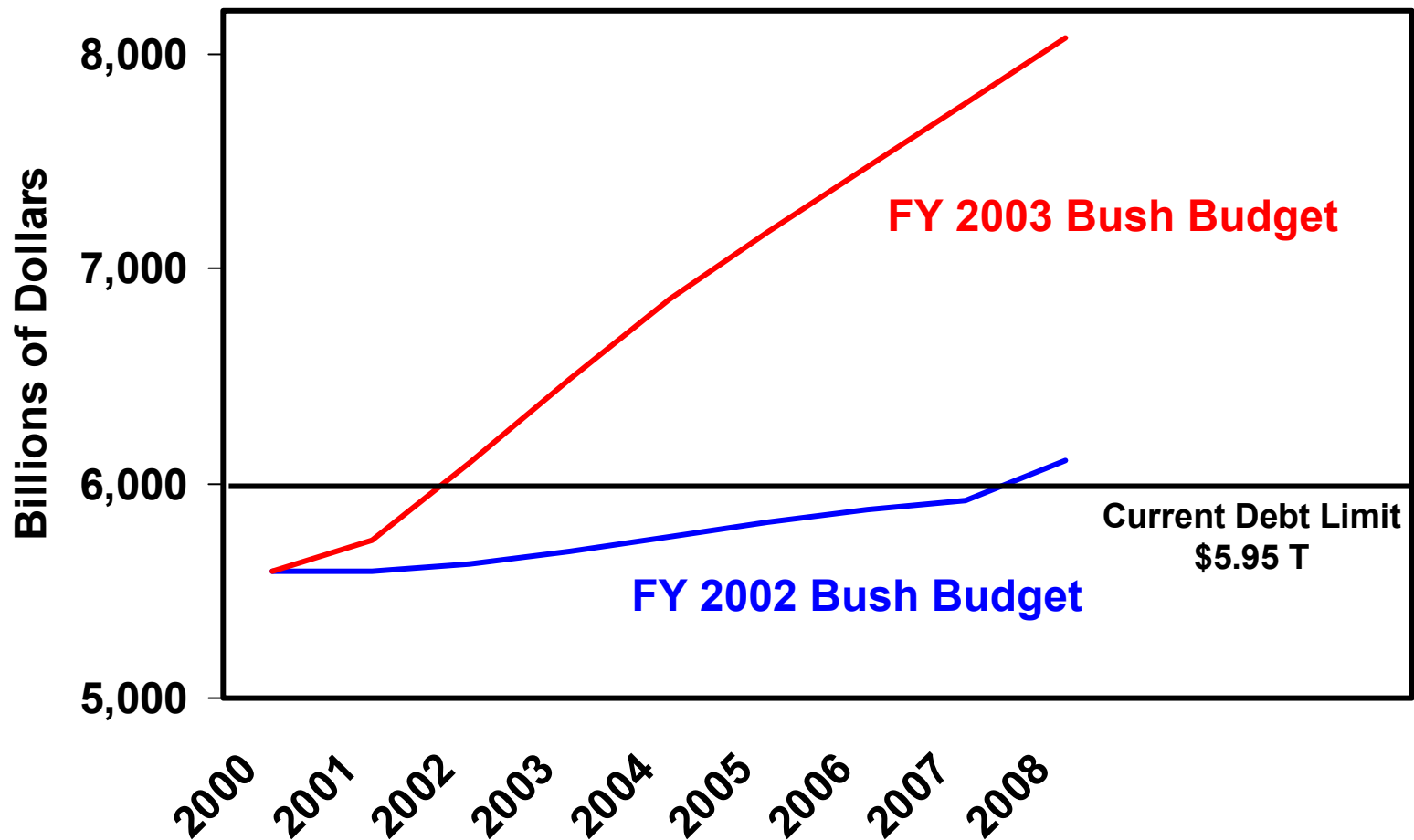


The Bush 2003 Education Budget

Appropriations Increase Over Prior Year



Debt Subject to Statutory Limit



Why Do We Have to Raise the Debt Limit Now Instead of 2008?

